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RUEKJCS/SECDEF WASHINGTON DC  
RHHMUNA/USPACOM HONOLULU HI  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHINGTON DC  
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC

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STATE PASS USTR  
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COMMERCE FOR 3132/USFCS/OIO/EAP/WZARIT  
TREASURY FOR OASIA/LMOGHTADER  
USTR FOR STRATFORD, ALTBACH

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TAGS: ECPS ECON PREL TW CH

SUBJECT: TAIWAN NAME RECTIFICATION HITS POSTAGE STAMPS

REF: TAIPEI 308

Classified By: AIT Economic Section Chief Daniel K. Moore, Reason 1.4 b /d

**¶1.** (SBU) Summary: President Chen announced February 8 that Taiwan's state-owned Chunghwa Post Co. would change its name to Taiwan Post Co. It will also change its postage stamps to read "Taiwan" instead of "Republic of China." A Chunghwa Post official told AIT that this will require Taiwan to renegotiate its bilateral agreements with other postal services around the world. End summary.

**¶2.** (U) On February 8, President Chen Shui-bian revealed that Taiwan's state-owned postal service Chunghwa Post Co. (in standard pinyin Zhonghua Youzheng) will change its name to Taiwan Post Co. (Taiwan Youzheng). The President also revealed that the firm will change postage stamps to read Taiwan instead of Republic of China. The firm's board of directors is expected to give final approval on February 9.

**¶3.** (U) On February 1, Chinese Petroleum Corp. and China Shipbuilding Corp., both supervised by the Ministry of Economic Affairs, announced they would replace China (Zhongguo) with Taiwan in their Chinese names (reftel). (Comment: The "Zhongguo" term for China is generally considered more controversial than the "Zhonghua" term used in the postal service name, which is a traditional literary term for China. End comment.) The plan to change the name of Chunghwa Post, which is supervised by the Ministry of Transportation and Communications, was not revealed until the President mentioned it in his weekly e-mail to the public.

**¶4.** (C) Chunghwa Post's Director of Public Affairs Chen Hsian-chou told AIT that Taiwan will have to renegotiate bilateral agreements with national postal services around the world to accept mail with "Taiwan" (vice "Republic of China") stamps. He said that Taiwan has such agreements with more than 90 percent of all national postal services. Chen speculated that the PRC might pressure other countries not to accept "Taiwan" stamps. He noted that Taiwan follows Universal Postal Union practices, even though it is not a member of the UN organization.

**¶5.** (C) Chunghwa Post President Lai Ching-Chyi told the

press that the estimated cost of the name change will be NT\$70 million (about US\$2 million). Chunghwa's Chen told us that this estimate was conservative, pointing out that the firm will not only have to change signs on post offices and trucks, it will also have to change the deposit books of 20 million financial services customers. Chunghwa's labor union estimates the cost at NT\$600 to 700 million (US\$18 to 21 million).

¶6. (U) Chunghwa's labor union staged a demonstration on February 9 to protest the change and threatened to take more radical action on Monday if the plan is approved by the board. Opposition Kuomintang (KMT) Party legislators told the press that they would oppose any legislation related to the name change. However, AIT has been unable to find any evidence that legislative action would be required to implement the change.

¶7. (C) Comment: The decision to change the name of the postal service and especially Taiwan's stamps is more controversial than the move to change the names of the state-owned oil and shipbuilding companies. Beijing's reaction will indicate what effect the decision could have on cross-Strait relations, including sensitive negotiations on further opening Taiwan to PRC tourists and cross-Strait direct charter flights now entering a decisive stage. End comment.

YOUNG